

SENATE BILL 564

By Berke

AN ACT to amend Tennessee Code Annotated, Title 71,  
relative to managed care organizations.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 71-5-1404, is amended by adding the following as a new subsection(e):

(e) Each managed care organization (MCO) that participates in the statewide fully integrated risk-based long-term care system established pursuant to this section shall enter into a contract to provide medical assistance under this part with each nursing facility and any of the facility's associated physicians or hospitals within the service area of the MCO within the state. If, after ninety (90) days of negotiations, a MCO and a nursing facility or its associated physicians or hospitals are unable to agree and enter into a contract for those services, then the commissioner of finance and administration or the commissioner's designee shall require the parties to enter into binding arbitration under title 29, chapter 5, part 3. An MCO or a nursing facility and any of the facility's associated physicians or hospitals may not participate in the TennCare program under this part unless it agrees to use such arbitration. This subsection shall apply to MCOs participating in the TennCare program under this part in any contractor risk agreements entered into or renewed with the bureau of TennCare on and after July 1, 2011.

SECTION. This act shall take effect July 1, 2011, the public welfare requiring it.